



Council On Affordable Housing

NEWSLETTER

May 2001

COAH Adopts 2001 Income Limits

The Council on Affordable Housing (COAH) adopted the 2001 regional income limits at its May 2, 2001 meeting. COAH adopted the maximum increase allowed on the re-rental of affordable units at its April 4, 2001 COAH meeting. The income limits are used to determine the eligibility of low and moderate income households, to price new sales and rental units and to index the maximum resale price of existing sales units.

Low income is defined as 50 percent or less of the median gross household income for households of the same size within the housing region. Moderate income means more than 50 percent but less than 80 percent of the median gross household income for households of the same size within the housing region.

Affordable rents may be raised a maximum of 3.6 percent, based on the U.S. Consumer Price Index (CPI) for the Northeast Region. However, federal low income tax credit developments may increase rents based on the federal low income tax credit regulations.

The income limits are based on the U.S. Department of Housing and Urban Development's (HUD's) Section 8 income limits (uncapped) according to COAH's six housing regions. COAH started using regional income limits, rather than county ones, in 1994.

In **Region 1**, Bergen, Hudson, Passaic and Sussex counties have a 2.95 percent maximum sales increase. In these counties the median income for a four-person household is \$68,801. Thus moderate income for a household of four people falls between \$55,041 and \$34,401 while

\$34,401 or less is considered low income.

For **Region 2**, —Essex, Morris, Union and Warren counties—where the median income for a four-person household is \$74,000, the maximum sales increase for an affordable unit is 4.82 percent. Therefore, a household of four people earning between \$59,200 and \$37,000 could qualify for moderate income housing while a four-person household earning \$37,000 or less could be eligible for low income housing in that region.

The highest median income for a four-person household (\$85,000) is in **Region 3**—Hunterdon, Middlesex and Somerset counties—where the maximum allowable increase is 5.2 percent. A household of four people earning between \$68,000 and \$42,500 is considered moderate income. Four-person households earning \$42,500 or less are low income.

In **Region 4**, the median income in Mercer, Monmouth and Ocean counties is \$66,933 for a household of four people, an increase of 3.76 percent. Thus, moderate income for the same size household falls between \$53,546 and \$33,466; from \$33,466 and below is considered low income in that region.

In Burlington, Camden and Gloucester counties, which comprise **Region 5**, the median income for a four-person household rose 3.98 percent to \$60,100. A four-person household earning between \$48,080 and \$30,050 may be eligible for moderate-income housing. A four-person household earning \$30,050 or less may be eligible for low-income housing.

For **Region 6**—Atlantic, Cape May, Cumberland and Salem counties—the median income for a household of four people is \$50,772, an increase of 1.63 percent. Moderate-income levels for a four-person household are between \$40,618 and \$25,386. The \$25,386 number and below is low income.

While the increase from 2000 to 2001 determines the percentages allowed for pricing new sales, resales, rentals and rerentals of affordable units, these figures are merely maximum limits. The real estate market may determine that developers, landlords and owners will have to ask less than the maximum permitted sales or rental price, as owners or landlords of market housing often have to do, to sell or rent their units.

See COAH's rules, N.J.A.C. 5:93-7.4 establishing rents and prices of units, for more information on pricing. N.J.A.C. 5:93-9.15 refers to annual indexed increases on sales and rental units while controls are in place.

2001 Regional Income Limits

Adopted May 2, 2001

		1	1.5*	2	3*	4	4.5*	5	6	7	8	%**
		Person	Person	Person	Person	Person	Person	Person	Person	Person	Person	Increase
Region 1 Bergen Hudson Passaic Sussex	Median	\$48,161	\$51,601	\$55,041	\$61,921	\$68,801	\$71,553	\$74,305	\$79,809	\$85,314	\$90,818	3.6%R
	Moderate	\$38,529	\$41,281	\$44,033	\$49,537	\$55,041	\$57,243	\$59,444	\$63,848	\$68,251	\$72,654	2.95%S
	Low	\$24,080	\$25,800	\$27,520	\$30,961	\$34,401	\$35,777	\$37,153	\$39,905	\$42,657	\$45,409	
Region 2 Essex Morris Union Warren	Median	\$51,800	\$55,500	\$59,200	\$66,600	\$74,000	\$76,960	\$79,920	\$85,840	\$91,760	\$97,680	3.6%R
	Moderate	\$41,440	\$44,400	\$47,360	\$53,280	\$59,200	\$61,568	\$63,936	\$68,672	\$73,408	\$78,144	4.82%S
	Low	\$25,900	\$27,750	\$29,600	\$33,300	\$37,000	\$38,480	\$39,960	\$42,920	\$45,880	\$48,840	
Region 3 Hunterdon Middlesex Somerset	Median	\$59,500	\$63,750	\$68,000	\$76,500	\$85,000	\$88,400	\$91,800	\$98,600	\$105,400	\$112,200	3.6%R
	Moderate	\$47,600	\$51,000	\$54,400	\$61,200	\$68,000	\$70,720	\$73,440	\$78,880	\$84,320	\$89,760	5.2%S
	Low	\$29,750	\$31,875	\$34,000	\$38,250	\$42,500	\$44,200	\$45,900	\$49,300	\$52,700	\$56,100	
Region 4 Mercer Monmouth Ocean	Median	\$46,853	\$50,199	\$53,546	\$60,239	\$66,933	\$69,610	\$72,287	\$77,642	\$82,996	\$88,351	3.6%R
	Moderate	\$37,482	\$40,160	\$42,837	\$48,191	\$53,546	\$55,688	\$57,830	\$62,113	\$66,397	\$70,681	3.76%S
	Low	\$23,426	\$25,100	\$26,773	\$30,120	\$33,466	\$34,805	\$36,144	\$38,821	\$41,498	\$44,175	
Region 5 Burlington Camden Gloucester	Median	\$42,070	\$45,075	\$48,080	\$54,090	\$60,100	\$62,504	\$64,908	\$69,716	\$74,524	\$79,332	3.6%R
	Moderate	\$33,656	\$36,060	\$38,464	\$43,272	\$48,080	\$50,003	\$51,926	\$55,773	\$59,619	\$63,466	3.98%S
	Low	\$21,035	\$22,538	\$24,040	\$27,045	\$30,050	\$31,252	\$32,454	\$34,858	\$37,262	\$39,666	
Region 6 Atlantic Cape May Cumberland Salem	Median	\$35,541	\$38,079	\$40,618	\$45,695	\$50,772	\$52,803	\$54,834	\$58,896	\$62,958	\$67,020	3.6%R
	Moderate	\$28,433	\$30,463	\$32,494	\$36,556	\$40,618	\$42,243	\$43,867	\$47,117	\$50,366	\$53,616	1.63%S
	Low	\$17,770	\$19,040	\$20,309	\$22,848	\$25,386	\$26,402	\$27,417	\$29,448	\$31,479	\$33,510	

Affordable rents may be raised a maximum of 3.6 percent, based on the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI), Northeast Region, All Urban Consumers Housing. However, low income tax credit developments may increase based on the low income tax credit regulations.

* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:93-7.4.

** This last column is used for calculating the maximum resale and rent increases for units as per N.J.A.C. 5:93-9.15.

R=Rents; S=Sales



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